

Harborough Cinema

Registered Charity No 1133139

Trustees' Annual Report For The Period 1st September 2022 to 31st August 2023

1 Reference and Administrative Details

- 1.1 The name of the charity is Harborough Cinema (HC) which was changed from Octagon Films in August 2022.
- 1.2 The charity registration number is 1133139
- 1.3 The principal address is: 5, Welham Road, Great Bowden, Market Harborough, LE16 7HS
- 1.4 The names of the charity trustees who manage the charity are:

Peter Mitchell	(Chair)
Edward Coveney	(Vice chair)
Graham Powell	(Treasurer)
Muriel Bibby	(Secretary)
Ann Height	
Michael Lee	
Bob Morris	(appointed at the trustees' meeting on the 3 rd July 2023)
Avril Pell	
Maggie Shutter	(appointed at the AGM on the 17 th March 2023)
Michael Taylor	
Alastair Upcraft	(appointed at the AGM on the 17 th March 2023)
- 1.5 The name and address of relevant organisations are:

Bankers:	Nat West, 16, High Street, Kettering, NN16 8SZ
Independent Examiner:	Gerald Mitchell, 11, Sutton Road, Great Bowden, Market Harborough, LE16 7HW
- 1.6 Harborough Cinema operates from Harborough Theatre which is owned and operated by The Market Harborough Drama Society (MHDS), a charitable incorporated organisation.
- 1.7 A new agreement between MHDS and HC was signed on the 11th August 2023. This related to the installation, maintenance and operation of HC's equipment, the use of the theatre facilities and procedures for booking the premises for HC activities

2 Structure, Governance and Management

- 2.6 Harborough Cinema is an unincorporated organisation and the governing document is the charity's constitution adopted on the 10th June 2009.
- 2.7 The average membership during the year ending 31st August 2022 stood at 582.
- 2.8 Trustees are appointed or reappointed annually at the Annual General Meeting.
- 2.9 Harborough Cinema is a member of The UK Cinema Association.
- 2.10 All trustees give their time voluntarily and receive no remuneration or other benefits.

3 Objectives and Activities

3.2 An extract from Harborough Cinema's constitution states:

The Society's objects are to advance education in the knowledge, understanding and appreciation of the arts, particularly the art of film and allied visual techniques for the benefit of the community in the Market Harborough area. Activities to achieve the objects are, but are not limited to:

- the exhibiting of films and the provision of lectures, conferences, workshops, festivals and similar educational events related to film watching and film making.*
- the establishment or furthering of the work of other charitable institutions with similar objects and compatible activities.*
- the provision of means for bringing to the attention of the public, the work of creative people in film making in all its forms.*
- the provision of digital transmissions of live performances including music concerts, ballet, opera and drama productions.*

3.3 The main Activities Undertaken For The Public Benefit In Relation To These Objects

This year has been transformative in that we have, at last, fulfilled our long term ambition of being able to show recently released films by installing suitable equipment to do so.

Harborough Cinema has also streamlined its operating systems and also successfully rebranded from its previous name of Octagon Films to Harborough Cinema (HC).

These initiatives are described in more detail below.

3.3.1 Equipment Upgrade

Our projection equipment was upgraded so that instead of only being able to show DVD and Blu-ray formats, we can now show recently released films as well. A digital cinema package is the standard delivery format for film screenings at a cinema. This means any sort of digital projection, be it a short or feature film, requires a digital cinema package (DCP).. Because DCPs are usually encrypted, a Key Delivery Message (KDM) file is required to ingest and play the content.

A review of potential cinema equipment suppliers was made and Omnex Profilm was selected. We have used this company before which includes the original equipment installation at Welland Park Academy, the moving of the equipment to Harborough Theatre and the upgrading of the equipment to play live broadcasts in 2011.

The order was placed on the 24th June 2022 with a total cost of `£37,035.60. This included a three years technical support package and a LANSat server which enables us to receive films over the internet and stores them ready for injecting into the projector.

We requested that the equipment was installed in August 2022 during the summer shutdown. However, Omnex seemed to be over extended and eventually installed the projection system on the 11th and 12th October.

The technicians who made the installation were extremely busy continually answering other customers queries on the phone. This resulted in Bob Morris and Peter Mitchell who were overseeing the installation only receiving 30 minutes training which did not include how to receive and play DCP films!

Eventually we received the required DCP training on the Wednesday prior to the Friday when we were due to show our first DCP film! Most stressful!!

3.3.2 Streamlining Harborough Cinema's Operating Systems

During the year, we have developed a fully integrated ticket sales system that incorporates sales made on the night at the theatre venue with those made on-line. We have eliminated the need for ticket sales sheets, and printed tickets. Quinns, our box office have embraced the new system and by using a card reader, can use credit card payments. Similarly, on the night at the venue, card readers have been introduced together with ipads for ticket sales and monitoring the seating situation in the auditorium. This is particularly useful for patrons who cannot remember their seat numbers!

Our website has been updated to allow people who want to join as members to do so and those members who wish to renew their membership can also do so.

3.3.3 Rebrand

The trustees felt that it would be wasteful and would not realise the full benefit of Harborough Cinema to the community if it did not publicise its new facilities and did not have increased activity from the existing one Friday night film showing each week.

Accordingly, a major campaign was initiated to distribute 17,500 leaflets to all residential addresses in the LE16 post code giving details of HC and what it is bringing to the community. The leaflet distribution started on the 23rd January 2023 over a two weeks period.

Neil O'Brien, our local MP, visited the theatre on the 27th January. He has long campaigned for a cinema in Harborough and so was interested to see the facilities.

Deadline Creative have offered their design services for the leaflet free of charge. Thanks to Yvonne Turner for introducing us to this company.

A new logo for HC was also designed and incorporated in the leaflet.

Ed Coveney was responsible for overseeing the design of the leaflet, organising the printing and distribution with The Royal Mail.

The printers chosen operated from Swindon and are familiar with Royal Mail's requirements. The cost was £752 for 18,000 leaflets.

The Royal Mail charged £1,387 for the distribution of the leaflets

Ffion Richards was engaged to operate our social media, namely Facebook and Instagram.

As the demand for cinema seats was unknown after the leaflet distribution, two launch weekends were organised over Friday 17th to Sunday 19th February and Friday 24th to Sunday 26th February.

On Friday 17th there was one film showing, Saturday/Sunday 18th/19th February a matinee plus one evening showing on each day and the same number of showings for the following weekend together with a matinee on Wednesday the 22nd. This totalled ten film showings..We sold a total of 687 seats with an average attendance of 68.7. The trustees felt that this was very successful and gave the rebranded HC an excellent start,

In a typical week, as the auditorium availability allowed, it was planned to show films on a Wednesday afternoon, a Friday evening, a Saturday afternoon and evening and a Sunday afternoon and evening i.e. six film showings each week.

Our Film ticket prices have been the same for 10 years when they were raised from £4 to £5 for members and £6 to £7 for non-members.

Research shows local cinemas average charge for films is £7.90 for seniors and £9.30 for non-seniors, NT Live adults £15.75 and seniors £14.

It was decided to raise prices for film and live broadcasts by £2 per seat and biannual memberships to be increased by £4

The trustees decided that HC would absorb the 50p charge per ticket made by Ticketsource for individual on-line purchases. There is no charge by Ticketsource when tickets are purchased at Quinns although HC makes a donation for their services.

3.3.4 Professional And Volunteer Support

For DVD and Blu-ray formats, 80% of our films were booked through Filmbank Media. For DCP, it is necessary to book films either directly with film distributors or use a professional film booking agent who would charge for their services. It was initially decided that HC would book directly with independent distributors for each film.

We hired David Sin of The Independent Cinema Office to help us to make our applications to film distributors and also to give us important operational information related to showing DCP format films. He gave us the contact details of over thirty distributors and also provided the necessary application forms.

Peter Mitchell took on the onerous task of completing these forms which were complicated. A proportion of distributors would want a £500 bond until our relationship with them was established.

It became apparent that many of the distributors were not responding to our applications but then serendipity played a hand when Peter contacted Troy Film Agency for a trade reference. HC had dealings with Troy over many years to book DVD/Blu-ray format film showings but hadn't realised that Troy could book DCP format films for us. Their charges are modest and so it was decided to use them for all DCP film bookings. This made things much easier.

With a large increase in film showings, obviously many more volunteers were required. MHDS still covered bar operations on Fridays and for live broadcasts, as they always had done, but bar services for the extra film showings had to be covered by HC volunteers. However, from the 1st September 2023, HC was required to provide trained volunteers for all of its booked dates.

A campaign was started to recruit extra volunteers in January 2023. These were needed for bar operations and the serving of tea and coffees, projecting films and Front of House stewarding.

There was an excellent response with 49 new volunteers being recruited.

3.3.5 Twentieth Anniversary Celebration Week

Octagon Films started showing films in the community lounge at Welland Park Community College on the 19th August 2002. The trustees decided that this should be celebrated by a week of activities. This took place in week beginning Monday 5th September 2022 with a Quiz Night on Tuesday the 6th, a talk about the development of HC and the showing of *Downton Abbey*, *A New Era* on Wednesday the 7th, then a double bill on Friday the 9th and finally another double bill with a buffet on Saturday 10th.

3.3.6 Film Showings During The Year

78 different films involving 90 showings took place during the year. 18 Of these were shown using Blu-ray format, the last one being on the 13th January. Thereafter, all films shown used DCP format. A total of 4147 admissions were recorded with an average attendance of 46.6 This compares to the previous year, with showings of 35 different films represented by 1834 admissions with an average attendance of 50.9 per showing. Overall, film attendances are 226% higher compared to the previous year. This is obviously due to having twice the number of film showings.

The 78 film showings in the year ending 31st August 2023 included two double bill film evenings during the 20th anniversary celebration week, one French film evening which included the showing of two films together with a French style buffet.

11 films were shown twice and one film 3 times. It's interesting to note that certain newly released films were far more popular than were ever recorded for any films shown on Blu-ray. It's assumed that because Blu-ray's are not available for 4 to 6 months after a film is released, a large number of people had already watched it at a commercial cinema, thereby reducing the viewing demand.

The French Film evening, again, was a great success with over 60 members and friends attending. It's intended to have a similar evening in March 2024

The best attended films during the year were: 1st, *Allelujah which was shown three times and had 242 attendees*. Joint 2nd with 182 attendees were *Mrs Harris Goes To Paris* and *The Banshees of Inisherin*.

Harborough Cinema, did not take part in The Leicester Comedy Festival (LCF) this year because of time pressures on volunteers.

The opinion of the audience is sought relating to each film showing by asking each person in the audience to record what they thought of the film. Asking every individual for their opinion of a film makes them think about the film they've just seen in a critical way so it has an educational aspect and it obviously helps Harborough Cinema gather information for future programming. This individual information is collated so that an overall 'reaction index' (RI) for a film viewing can be calculated. The maximum score achievable for any film is 100%. The average rating for all the film showings during the year ending 31st August 2023 was 83.5%. The lowest RI of 48.1% was for the showing of *Aftersun* and the highest at an RI of 100.0% was for the showing of *Galaxy Quest* but only had 6 attending, the next highest was 96.1% for the showing of *Till*. The overall average RI of 83.5% was 0.2 points higher than that recorded last year and is the highest average RI that we have ever recorded.

This shows that the film programming sub-committee continues to do a great job even when it's not always possible for members of the committee to preview all films that are shown due to the fact that most films now shown are newly released.

Members of the committee attend at least two industry screenings each year. These are three day events at which about 24 pre-UK release films are shown on several screens. The committee makes a point of trying to watch every film at each of these sessions. These screenings are very important in helping the committee to personally review over 70 films each year including films that are never shown at multiplex cinemas.

3.3.6.1 Young Person's Film Festival

The other major activity is related to Harborough Cinema's participation in the young persons' film festival in November which was organised by the national charity, Into Film. This event is the biggest of its kind in the world and has been running for 22 years under different organisations. The Festival took place nationwide between the 7th and 24th November 2022 when over 400,000 young people and their educators attending special screenings across the UK.

Like all cinemas that have signed up to the project, Harborough Cinema provided film showings free of charge to local school children and their teachers. In November 2022, Harborough Cinema's participation extended over 7 school days between Wednesday the 9th and Friday 25th of November. These film showings are supported by teacher notes that enable lessons to be created around the underlying subject matter of the films. This is the fourteenth year that Harborough Cinema has participated in such a festival and this year Harborough Cinema was able to accommodate 486 children and their educators represented by 1 local primary school and two special needs primary schools together with 12 home educators and children. Numbers were up on last year when one school cancelled 6 film showings at short notice.

3.3.6.2 Dementia Friendly Film Screenings

Last year, we had the first dementia friendly film screening when *A White Christmas* was shown. This was jointly organised by Dementia Harborough, a local charity and Harborough Cinema. It was a great success and it's planned to have another dementia friendly screening next year,

3.3.7 Live Broadcasts

Harborough Cinema is now in its 12th year of providing live broadcast events to the community which currently includes the regular content providers comprising, The National Theatre, and The Royal Opera House

A breakdown of the live broadcast programme in the year ending 31st August 2023 was:

Content Provider	Productions	Ticket Sales (Nos)	Average/ production (Nos)
NT Live	10	577	58
ROH	9	377	42
TOTAL	19	954	50

As can be seen, 954 people attended 19 productions with an average attendance of 50 for each production. In the previous year, Octagon showed 15 productions with a total attendance of 520 and an average attendance per production of 35.

The number of productions is greater than the previous year despite the fact that The Bolshoi Ballet is no longer available to cinemas in the UK.

3.4 Additional Details Of Objectives And Activities

3.4.1 Harborough Cinema's activities are run by over 50 unpaid volunteers without whom Harborough Cinema could not exist in its present form. Their contributions included membership administration, front of house duties, film projecting, publicity (via posters and local newspaper editorial) and Harborough Cinema's website (harboroughcinema.uk)), ticket production and management.

3.4.2 Harborough Cinema (HC) believes that it can better meet the needs of the community by operating as a community cinema, run by volunteers and requiring a membership. The membership has the opportunity to suggest the films that it would like to see and because HC knows who its audience is, it can send out the occasional questionnaire to better understand members' requirements and to assess how it is satisfying those needs.

4 Achievements And Performance

Overall, Harborough Cinema made a loss of £32,765 compared to a loss of £13,556 in the previous year. This was due to the cost of the new equipment that was installed this year as detailed above. Also, most of our speakers are 20 years old and some require replacing because of distorted sound problems. Also, there was high expenditure related to a rebrand marketing exercise.

4.1 The average membership during the year ending 31st August 2023 stood at 645 compared to the previous year of 582.

As mentioned above, Harborough Cinema has introduced the facility for members to buy film tickets on-line as well as those for live broadcasts. It has also introduced a direct debit facility for renewing memberships. The d/d scheme makes it easier for members to renew their membership and significantly reduces the administration required. Furthermore, Quinns, our box office agreed to sell tickets via Ticketsource, our on-line ticket sales provider, in August 2022. They have also agreed to use a card reader that will accept credit and debit card payments. This hugely streamlines the selling of tickets as there is now no need for ticket sales sheets or the printing of tickets for each event.

4.2 Award Of The Market Harborough Citizenship Cup

The Cup is awarded every few years or so. The recipient is chosen by leading figures from various town bodies including the Chairs of the Civic Society, History Society, Chamber of Trade, Churches Together, the Market Harborough Building Society and the Harborough Mail. Recently the Chair of the Civic Society was the convenor of the meetings and ran the operation.

This year, Peter Mitchell, the chair of Harborough Cinema was nominated for this award together with Harborough Moviemakers. The award was made on the 24th July 2023 in

recognition of his outstanding achievement to the citizens of Market Harborough in setting up Harborough Cinema for the benefit of the town. The cup was presented by Barbara Johnson, chair of Harborough District.

5 Financial Review

- 5.1** The accounts for the year are presented using an income and expenditure format following the requirements of The Charity Commission.
- 5.2** The showing of films made a profit of £1017 this year and Live broadcasts made a profit of £2080. Membership fees give Harborough Cinema financial security with an income of £4568..
The overall loss for the year amounted to £32,765. This compares to an operating loss in the year before of £13,556
- 5.4** The policy on reserves is to maintain sufficient funds to upgrade existing equipment and to maintain continuity of operation if the theatre became unusable due to unexpected damage to the building which would require Harborough Cinema to relocate equipment to an alternative venue. Harborough Cinema would wish to be able to contribute to other local organisations relating to the making of films, the sponsorship of film festivals and to organisations that might want to show films to raise money for local charities and, if appropriate, to make charitable donations to other national charitable organisations with similar objects to its own.
- 5.5** Harborough Cinema's reserves are at a low level of £4,027. This is primarily due to the cost of installing new DCP projection equipment. For security, it endeavours to maintain a balance of a year's turnover. However, HC has few fixed or recurring costs so that it should build up its reserves to the required level without any operating problems.

6.0 Future Plans

Harborough Cinema is continuing to explore how it can widen accessibility to other groups within the local community who cannot so easily or comfortably attend screenings available to the wider membership.

With regard to the redundant Panasonic projector that was used for showing DVD/Blu-ray format films, it's planned to permanently install it from the ceiling alongside the new DCP projector in the theatre auditorium. The value of this projector is £1000 but Harborough Cinema does not need this money and prefers to help other volunteer led organisations, particularly The Harborough Arts Society.

Harborough Arts has monthly events where members enjoy expert lecturers who share their specialist knowledge about the arts. These lectures are illustrated by showing slides which are projected onto a screen. Harborough Arts' existing projector is not high definition so would benefit from the use of HC's spare projector. HC is negotiating with Harborough Arts a rental fee to cover the cost of lamp replacement when required.

HC has also offered the facility to MHDS of including this projector as part of their offer to potential hirers of the auditorium who would require a projector

Approved by the Trustee Members of the Executive Committee by e-mail in the week beginning Monday 26th February 2024

Signed by Peter Mitchell, Chair

A handwritten signature in black ink, appearing to read 'P J Mitchell', with a horizontal line drawn underneath the name.

HARBOROUGH CINEMA

Established in 2002 - Registered Charity Number 1133139



Statement of Financial Activities for the Year Ended 31st August 2023

<u>2022</u>	<u>£</u>		<u>2023</u>	<u>£</u>
		Incoming Resources	Notes	
4,046		Membership Fees	1	4,568
8,948		Film Showings	2	26,310
5,974		Live Performance Showings	3	11,531
1,078		Red Cross Ukraine Fundraising	4	0
0		Quiz Night	5	237
65		Donations received		200
270		Interest received		0
	20,381	TOTAL INCOME		42,846
		Resources Expended		
9,116		Film showing costs	2	25,293
6,098		Live Performance showing costs	3	9,451
1,078		Red Cross Ukraine Donation	4	0
0		Quiz Night	5	321
404		National Schools Film Week		0
108		Film & Cinema Society Memberships		144
13,542		Equipment Upgrades & Repairs	6	29,368
529		Insurance		656
468		Ticketing		751
0		Marketing Costs	7	2,358
305		Programming Costs		3,110
67		Bank Charges & Fees		218
2,222		General Administration	8	3,941
	33,937	TOTAL EXPENDITURE		75,611
	-13,556	NET DEFICIT		-32,765
	50,348	Balance brought forward		36,792
	36,792	Balance carried forward		4,027
		Represented by:		
38,867		NatWest Current Account		5,871
370		Cash Floats		170
39,237				6,041
2,445		less: Creditors		2,014
	36,792			4,027

Notes

- 1 Average membership 645 comprising Adult 597, Family 34, Curtain Raisers 14.(2022-582)
- 2 There were 91 films shown during the year (2022 - 36)
- 3 There were 18 live performances during the year by NT Live & Royal Opera House(2022 - 15)
- 4 A special showing of the film Olga on 19th March 2022 plus donations of £693 was organised to raise money for the Red Cross DEC Ukrainian appeal.
- 5 A Quiz Night was held as part of the 20th anniversary celebrations
- 6 The balance of £24,073.14 was paid for equipment to enable showing of digital film performances.
- 7 Marketing expenditure made members and the public aware of the new digital film showings and greatly increased membership numbers.
- 8 Administration covers membership applications & renewals, programme production and distribution, and sundry running costs.

Signed on behalf of the trustees on 13th November 2023

P Mitchell

G R Powell

**Independent Examiner's Report
on the Accounts of Harborough Cinema
for the year ended 31st August 2023**

Charity number 1133139

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- follow the procedures laid down in the general Directions given by the Charity Commissioners (under section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention

Basis of independent examiner's statement

My examination was carried out in accordance with the general Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair" view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act;
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Dated: 27th November 2023

G Mitchell
11 Sutton Road
Great Bowden
LE16 7HW